

110TH CONGRESS
1ST SESSION

H. R. 989

To prevent undue disruption of interstate commerce by limiting civil actions brought against persons whose only role with regard to a product in the stream of commerce is as a lawful seller of the product.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2007

Mr. BOREN (for himself and Mr. CHABOT) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prevent undue disruption of interstate commerce by limiting civil actions brought against persons whose only role with regard to a product in the stream of commerce is as a lawful seller of the product.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Innocent Sellers Fair-
5 ness Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1) it is unfair for a seller to be held respon-
2 sible under the doctrine of product liability for dam-
3 ages that the seller did not cause;

4 (2) as a result of product liability, sellers are
5 often brought into litigation despite the fact that
6 their conduct had nothing to do with the accident or
7 transaction giving rise to the lawsuit, and may
8 therefore face increased and unjust costs due to the
9 possibility or result of unfair and disproportionate
10 damage awards;

11 (3) due to high liability costs and unwarranted
12 litigation costs, sellers face higher costs in pur-
13 chasing insurance through interstate insurance mar-
14 kets to cover their activities;

15 (4) liability reform for sellers will promote the
16 free flow of goods and services, lessen burdens on
17 interstate commerce, and decrease litigiousness; and

18 (5) legislation to address these concerns is an
19 appropriate exercise of the powers of Congress under
20 clauses 3, 9, and 18 of section 8 of article I of the
21 Constitution of the United States, and the 14th
22 amendment to the Constitution of the United States.

23 **SEC. 3. LIMITATION ON LIABILITY OF PRODUCT SELLERS.**

24 (a) IN GENERAL.—No seller of any product shall be
25 liable for personal injury, monetary loss, or damage to

1 property arising out of an accident or transaction involv-
2 ing such product, unless the claimant proves one or more
3 of the following non-sale activities by the seller:

4 (1) The seller was the manufacturer of the
5 product.

6 (2) The seller participated in the design of the
7 product.

8 (3) The seller participated in the installation of
9 the product.

10 (4) The seller altered, modified, or expressly
11 warranted the product in a manner not authorized
12 by the manufacturer.

13 (b) LIABILITY FOR NON-SALE ACTIVITIES.—If the
14 claimant proves one or more of the non-sale activities de-
15 scribed in subsection (a) and such non-sale activity was
16 negligent, the seller's liability shall be limited to the per-
17 sonal injury, monetary loss, or damage to property directly
18 caused by such non-sale activity.

19 (c) DEFINITIONS.—In this Act:

20 (1) MANUFACTURER.—The term “manufac-
21 turer” means a person who is lawfully engaged in
22 the business of manufacturing a product in inter-
23 state or foreign commerce during such person's reg-
24 ular course of trade or business.

1 (2) PERSON.—The term “person” means any
2 individual, corporation, company, association, firm,
3 partnership, society, joint stock company, or any
4 other entity, including any governmental entity.

5 (3) SELLER.—The term “seller” means a per-
6 son who is lawfully engaged in the business of mar-
7 keting, distributing, advertising, or selling a product
8 in interstate or foreign commerce during such per-
9 son’s regular course of trade or business.

10 (d) EFFECTIVE DATE.—This Act shall apply to any
11 civil action involving a product that was sold to the claim-
12 ant on or after the date of the enactment of this Act.

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